

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 XMB-04 OPIC-06 SP-02 LAB-04
SIL-01 OMB-01 MMO-01 AGRE-00 /076 W
-----020037 081748Z /73

R 081707Z SEP 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 1734
DEPARTMENT TREASURY
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS SECTION 01 OF 02 BONN 16478

USEEC AND USOECD

DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: FRG BALANCE OF PAYMENTS IN JULY

REF: CERP O1O2

1. TRANSMITTED HERewith ARE FRG BALANCE OF PAYMENTS
DATA FOR JULY 1978, THE FIRST SEVEN MONTHS OF 1978, AND,
FOR COMPARISON, FOR THE FIRST SEVEN MONTHS OF 1977:

JULY JANUARY - JULY
1978 P/ 1977 1978

(NON-SEASONALLY ADJUSTED
DATA, IN MILLIONS OF DM)

EXPORTS F.O.B.	21,403	155,807	160,719
IMPORTS C.I.F.	19,099	135,695	139,473

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TRADE BALANCE	2,304	20,113	21,246
MERCHANTING AND SUPPLEMENTARY			
TRADE ITEMS	-188	-929	548
TRADE BALANCE (INCLUDING MER-			
CHANTING AND SUPPLEMENTARY			
ITEMS)	2,116	19,184	21,794
SERVICES	-2,300	-5,946	-4,510

UNILATERAL TRANSFERS	-1,600	-10,504	-11,739
BALANCE OF INVISIBLES	-3,900	-16,450	-16,249
CURRENT ACCOUNT BALANCE	-1,784	2,733	5,544
LONG-TERM CAPITAL			
PRIVATE CAPITAL	178	-8,706	-280
DIRECT INVESTMENT	92	-1,972	-1,675
PORTFOLIO INVESTMENT	-686	-2,460	-2,530
CREDITS AND LOANS	850	-3,929	4,364
OTHER	-78	-.346	-439
OFFICIAL CAPITAL	-205	-182	-1,622
BALANCE OF LONG-TERM CAPITAL	-28	-8,888	-1,905
SHORT-TERM CAPITAL			
COMMERCIAL BANKS	1,207	3,881	-1,606
PRIVATE NON-BANKS	293	519	-1,471
OFFICIAL	-23	557	1,917
UNRECORDED TRANSACTIONS	834	2,352	-1,559
BALANCE OF SHORT-TERM CAPITAL	2,311	7,309	-2,719
NET FOREIGN POSITION OF			
BUNDESBANK	499	1,154	922

P/PRELIMINARY

SEASONALLY ADJUSTED TRADE DATA

(IN DM MILLION; QUARTERLY DATA ARE MONTHLY AVERAGES)

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 1735

DEPARTMENT TREASURY
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS SECTION 02 OF 02 BONN 16478

	4TH Q 1977	1ST Q 1978	2ND Q 1978	JULY 1978
EXPORTS F.O.B.	23,557	22,770	23,427	22,290
IMPORTS C.I.F.	19,980	19,793	19,957	19,660
TRADE BALANCE	3,577	2,977	3,470	2,630

EXPORTS F.O.B. 23,557 22,770 23,427 22,290
IMPORTS C.I.F. 19,980 19,793 19,957 19,660

TRADE BALANCE 3,577 2,977 3,470 2,630

2. WITH THESE STATISTICS THE BUNDESBANK HAS RADICALLY REVISED AND WRITTEN DOWN THE FIRST HALF SURPLUS ON MERCHANTING TRADE AND THE TRADE SUPPLEMENTS AS WELL AS THE PRELIMINARY JULY FIGURES ON THESE TWO ITEMS. PREVIOUSLY THE FIRST SEVEN MONTHS' SURPLUS ON THESE ITEMS WAS LISTED AS DM 1.4 BILLION WHICH HAS NOW BEEN REDUCED WITHOUT EXPLANATION TO DM 0.5 BILLION. THERE WAS AN OFFSETTING DIFFERENCE IN THE SERVICES ITEM WHERE THE BUNDESBANK REDUCED THE DEFICIT FOR THE FIRST SEVEN MONTHS BY DM 1.0 BILLION OVER WHAT IT HAD PREVIOUSLY

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CALCULATED.

3. THE INCREASE IN THE SERVICES' DEFICIT FROM DM 0.8 BILLION IN JUNE TO DM 2.3 BILLION IN JULY REFLECTED AN INCREASE IN GERMAN TOURIST EXPENDITURES ABROAD WHICH ROSE FROM DM 2.5 BILLION IN JUNE TO DM 4.0 BILLION IN JULY. THE INCREASE IN THE TRANSFERS DEFICIT FROM DM 1.0 BILLION IN JUNE TO DM 1.6 BILLION IN JULY WAS DUE TO HIGHER NET GERMAN PAYMENTS TO THE EC AND SLIGHTLY HIGHER WAGE TRANSFERS OF FOREIGN LABORS WHICH USUALLY OCCURS DURING THE VACATION SEASON.

4. IN CONTRAST TO CONSIDERABLE DEFICITS PREVAILING IN THE APRIL/JUNE PERIOD IN JULY THE LONG-TERM CAPITAL ACCOUNT WAS ROUGHLY IN BALANCE. A DEFICIT IN THE PORTFOLIO INVESTMENT ITEM (MAINLY RESULTING FROM SALES OF GERMAN BONDS BY FOREIGNERS) WAS OFFSET BY NET BORROWING ABROAD OF GERMAN BANKS. THE SUBSTANTIAL NET SHORT-TERM CAPITAL INFLOW OF DM 2.3 BILLION WAS ATTRIBUTED BY THE BUNDESBANK TO THE NEW FOREIGN EXCHANGE SPECULATION

BEGINNING IN JULY.
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Message Attributes

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Draft Date: 08 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Original Previous Classification: n/a
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Review Release Date: N/A
Review Release Event: n/a
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Secure: OPEN
Status: NATIVE
Subject: FRG BALANCE OF PAYMENTS IN JULY
TAGS: EFIN, GE
To: STATE TRSY
Type: TE
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